

CITY OF SCOTTSDALE HOUSING BOARD
One Civic Center 3rd Floor Conference Room
7447 E. Indian School Road, Scottsdale, Arizona 85251
JANUARY 27, 2004
5:00 PM
SPECIAL MEETING
MINUTES

PRESENT: Barbara Williams, Chair
Robert Southworth
Jeffrey Burg
Joe Priniski
Del-Monte Edwards

ABSENT: Tamala Nagy

STAFF: Mark Bethel
Molly Edwards
Raun Keagy
Donna Bronski
Connie James
Ed Gawf
Judy Register

GUESTS: Rich Crystal
Rick Brammer

1. ROLL CALL:

A formal roll call confirmed the members present as stated above.

Ms. Williams called the special meeting of the Housing Board to order at 5:15 p.m., noting the presence of a quorum.

2. PRESENTATION BY CRYSTAL AND COMPANY/APPLIED ECONOMICS ON HOUSING ASSESSMENT.

Mr. Crystal stated that he had divided the city into three regions for purposes of the study:

- a. Mature Scottsdale – south of Indian Bend to the Tempe border
- b. Central Scottsdale – Indian Bend to the CAP Canal
- c. North Scottsdale – CAP to northern city limit

Mr. Crystal noted that a variety of research findings had been generated, most of which were oriented toward existing Scottsdale residents. He added that a good deal of the information was associated with neighborhood revitalization and stabilization issues and factors, which is used for planning purposes, policy development and for federal consolidated planning purposes.

Mr. Crystal detailed the categories employed for the study. He noted that the elderly population had increased in all areas of the city with the exception of the north, and that the mature region had the highest share of the elderly population. He stated that according to the current census definition, nearly one fourth of the mature region's population was classified as disabled. Mr. Brammer clarified that the figure was a consequence of a definitional change. Discussion ensued.

He noted that the central area was becoming more stable, with fewer turnovers, and that the share of family households was decreasing, with one parent household with children on the rise. Median household income has increased with the exception of the mature region, an indicator of households at risk. Share of households below the poverty level increased in the central and mature regions. He noted that the city's population increased 56 percent from 1990 to 2000, with the major impact in the northern region. He reported that housing sale's activity had a banner year for 2003. He detailed the sale and resale activity by housing type and region, explaining that resale in townhouses exceeds that of single family housing in the mature area. Chair Williams inquired if that represented part time or full time residents, and pointed out the significance of that distinction. Mr. Crystal replied that that information had not been researched. He went on to note that new single family activity in the mature area was very limited, and provided data regarding resale of single family units and town homes. Ms. Williams requested information on the number of units in the three different regions. Mr. Crystal agreed to provide the requested spread.

Mr. Crystal went on to discuss the median and average sales per square foot per each census tract within the city. He reviewed the school test score rankings for each region. Ms. Edwards pointed out that they had looked at third, fifth, eighth and tenth grade scores for Scottsdale Unified School District throughout the city to determine areas of risk. She noted that none of the areas at risk were in the northern area. Ms. Edwards stated that the data and a map had been provided for the Board Members.

Mr. Crystal provided purpose and definitions related to housing information. He referred to the disparity between supply and demand as a "gap". He identified those properties at risk as being in need of renovation or being sub standard in that they don't meet code. He reviewed housing gap indicators as illustrated in the report generated by income categories, adjusted for family size. He pointed out that a high incidence of rentals could often be an indicator of neighborhood distress.

Mr. Crystal indicated that for renters, a gap of 1800 units was demonstrated in the mature region and 1250 for owners. In the central region, he noted a deficit of 1150 for renters and 1500 for owners. In the northern region, a situation of equilibrium existed with regard to renters, and a deficit of 800 units for owners. He noted that the total gap or housing deficit for the entire city was 6500 units. He discussed a comparison with the Pollack study and indicated that the low-end deficit in light of that comparison was 7500 to a high of 12,500.

In response to a question by Mr. Gawf, Mr. Crystal went on to clarify that the determination of the "gap" or housing deficit was based on median income figures and the percentage of that income spent for housing. He noted that the gap was most evident in Scottsdale homeowners, whereas renters fared better when compared to other cities in the east valley. Mr. Crystal noted the significant number of elderly low-income renters, earning 30 percent of the median, and stated that over 60 percent were severely cost burdened, paying over 50 percent of their income for housing. He also pointed out that, in mature Scottsdale, the number of occupants residing in dwellings with more than 1.01 persons per room in multi family units rose from 450 to 1250, raising a red flag. He clarified that this number is an indicator of a potential problem, with an inordinate rise in multi family units with a high number of persons per unit. Ms. Williams requested the census tracts for this area, noting that the additional information might provide more insight into the reason for the increase.

A discussion followed regarding the housing code for overcrowding compared with the census overcrowding standards. Mr. **Brammer** referred

to research done reviewing code violations going back to 1996. He distributed a map showing those areas receiving serious violations, noting several clusters. He stated that an effort was made to correlate statistically code violations with property characteristics and thus make a determination of potential at risk areas. Discussion ensued. Mr. Crystal noted, in mature Scottsdale, 2700 units potentially in need of renovation, but stated that they didn't have the data indicating how many of those were sub standard or below code.

In conclusion, Mr. Crystal pointed out the gap, with people earning under 50 percent of the median, with 7100 to 12, 500 people potentially at risk. For both owners and renters in distress, elderly households constitute a significant percentage, warranting potential action. Mature Scottsdale appeared stable from 1990 to 2000, however, the increase of 800 multifamily dwelling units with more than 1.01 persons per room was of note, as were the 2750 units potentially in need. Mr. Crystal stated that the indicators show that there is an affordability gap for low-income households, among both renters and owners. He suggested, as funding is limited, a focus on programs that would address both the gap and at risk units. There was discussion as to the pros and cons of promoting rental versus ownership, and the effect on neighborhoods.

Mr. Gawf observed that it is important to understand exactly what the data from the report says and doesn't say, and that the city needs to work hard to define what the problem is before coming up with solutions. He listed his observations.

- 1.) Perhaps focusing on the at risk, or potentially at risk households with a high percentage of their income going to housing was important.
- 2.) How to most effectively use housing dollars and make them go farther.
- 3.) Implementation of a housing code inspection program whereby both single and multifamily rentals could be monitored to ensure they don't become at risk units.
- 4.) Active code enforcement.

Mr. Keagy advised the Board that his department had done a sweep of the area bounded by Thomas and Oak and Pima and Hayden, looking at every residence and identifying every violation. He noted that 168 homes had 233 violations, 66 were high grass and weed violations, followed by illegal storage, dirt yards, dead vegetation, junk vehicles and illegal parking, and the last nine were peeling paint violations. Mr. Gawf observed that these violations are

important as an indicator for the city, although the violations are not as dramatic as those found in other cities.

- 5.) Actively working with the neighborhoods to preserve the quality of the neighborhood.
- 6.) Increasing the rehabilitation, not only for, single-family units, but working with rental property owners to rehab those units.

Ms. Williams added that it was important to maintain a balance between commercial and residential interests.

Ms. Edwards requested written comments and feedback from the Board Members regarding the presentation.

3. Role of Housing Board

Ms. Williams asked for direction from staff as to what the role of the Housing Board should be at this point in time. She expressed some confusion as to the Board's role in promoting affordable housing. Mr. Southworth recalled his years in construction and how codes have changed. He commented that due to those code changes, rehabilitation was a critical issue for the Board to address. Mr. Priniski added that he felt the Board needed to adhere to the goals and vision discussed at the retreat. Mr. Burg stated that he thought the Board needed general guidelines on where the city wants the Board to go.

Mr. Gawf explained that, in looking at the Housing Board Bylaws, he found a focus on Section 8. He stated that he saw the Housing Board as serving both departments, CNR and Community Services. He reviewed the Bylaws and surmised that the role of the Board might be broad enough to include some of the areas discussed this evening.

Ms. Bronski clarified that the ordinance that created the Board was adopted in 1993, and doesn't appear to have been amended since that time. She stated that the ordinance provided for the Board to review and advise City Council on HUD and federal program activities relating to the Section 8 Program, and any potential funding related to housing activities. She added that it would also advise on federal grant applications and assess the usefulness of funding as the programs mature. She went on to state that the Board should serve as public outreach for federal housing programs offered by the city. She indicated that the role of the Board seemed to be tied to the Section 8 Program.

Mr. Gawf acknowledged the emphasis on federal programs and Section 8, but stressed the importance of rehab for our existing housing stock, both rental and owner occupied. He also noted the need to prevent blight by ensuring safe standards, helping families to be good neighbors while retaining affordability. Ms. Williams asked how Mr. Gawf envisioned the Housing Board working with him to reach these goals. Mr. Gawf suggested that he would like to ponder the issue and, observed that perhaps in the future the Bylaws might need to be revised, but that for the present he would like to use the Board as a resource for housing issues. Discussion ensued relative to potential mixed income housing and the use of federal funds, which are targeted for specific income levels.

Open Call to the Public

There was no public testimony.

Board Member Burg advised the Board that he was being relocated to Washington D.C., and would be submitting his letter of resignation. He would be attending the February 10, 2004 meeting, but would be unable to attend meetings after that.

Adjournment

Being duly moved and seconded, the special meeting of the City of Scottsdale Housing Board was adjourned at 7:30 p.m.

Respectfully submitted,

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